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PRESS RELEASE

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CPUC SAFEGUARDS ENERGY RELIABILITY FOR COMMUNITY CHOICE AGGREGATOR CUSTOMERS

SAN FRANCISCO, Feb. 8, 2018 - The California Public Utilities Commission (CPUC) today adopted a timeline and waiver process for community choice aggregators to serve electric load, allowing them to move quickly to serve new customers while at the same time complying with California's program that ensures there will be adequate energy supplies for all customers.

The CPUC has "Resource Adequacy" rules that are directed by law, and that are designed to ensure all retail electricity sellers buy enough electricity to meet their demand. Currently, a community choice aggregator – a retailer of electricity – can start serving new customers without much advance notice, which is inconsistent with those rules. As a result, utilities may over-procure, which has implications for cost shifting between groups of customers.

In December 2017, the CPUC issued a draft proposal that required community choice aggregators to adhere to a more clearly defined and consistent timeline to register and serve their new load. On Feb. 2, 2018, after an extended period for public notice, the CPUC issued a revised draft proposal that takes into consideration public comments that were received on the first draft proposal.

The proposal adopted today incorporates most of the flexibility options requested by community choice aggregators. The revisions extend the submission deadline for community choice aggregators' Implementation Plans to March 1, 2018, in order for prospective or expanding community choice aggregators to serve their new customers in 2019. The revisions create two waiver options by which any new or expanding community choice aggregator may obtain a waiver from the timelines in order to begin service in that new or expanded territory prior to January 1, 2019:

- Under the first waiver option, the community choice aggregator and utility in whose service
 territory the community choice aggregator intends to begin service must jointly notify the
 CPUC that the utility and community choice aggregator mutually agree that they have
 addressed Resource Adequacy requirements and cost responsibility.
- Under the second waiver option, if no agreement is reached, the community choice
 aggregator must notify the CPUC that the utility and the community choice aggregator are
 unable to reach agreement to address the Resource Adequacy requirements and cost
 responsibility concerns, and must state that the community choice aggregator agrees to be
 bound by a future CPUC determination in the Resource Adequacy proceeding regarding cost
 responsibility.

"This is an important and necessary action, because community choice aggregators are now part of the landscape in California – by next year they will serve about 20 percent of California's load," said CPUC Commissioner Liane M. Randolph. "Our actions today ensure that community choice aggregators can form and expand in a timely and expeditious manner, that remaining utility customers do not shoulder costs for customers who depart, and that double-procurement does not occur."

Added Commissioner Martha Guzman Aceves, "We will continue to confront these issues as we transition. Raising and working through these issues deliberately will be important work for the agency."

The proposal voted on is available at:

http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M208/K956/208956263.PDF.

The CPUC regulates services and utilities, safeguards the environment, and assures Californians' access to safe and reliable utility infrastructure and services. For more information on the CPUC, please visit www.cpuc.ca.gov.

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